

Message Text

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PAGE 01 CARACA 04060 162122Z

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

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INT-05 OMB-01 SAM-01 OES-03 STR-04 TRSE-00 FRB-03

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TAGS: PINT ECON VE

SUBJ: AD RESPONDS TO COPEI CRITICISMS

REF: CARACAS 3903

SUMMARY: IN REPLY TO CRITICISMS LEVELED BY COPEI PARLIAMENTARY LEADER FERNANDEZ, AD DEPUTY PINERUA APR 14 DEFENDED THE PERFORMANCE OF THE PEREZ ADMINISTRATION DURING ITS FIRST YEAR IN OFFICE. PINERUA CITED PUBLIC CONFIDENCE IN AD, DOWNPLAYED THE INFLUENCE OF PRIVATE ECONOMIC INTERESTS, AND CLAIMED THE VENEZUELAN ECONOMY IS PERFORMING WELL. END SUMMARY

1. WHEN THE DEBATE ON LAST MONTH'S PRESIDENTIAL MESSAGE RESUMED IN THE CHAMBER OF DEPUTIES APR 14, ACCION DEMOCRATICA (AD) SENT PARTY WARHORSE LUIS PINERUA ORDAZ, AD EXECUTIVE POLITICAL SECRETARY AND DEPUTY, INTO THE FRAY TO DEFEND THE HONOR OF THE PEREZ ADMINISTRATION. CASTING ASPERSIONS ON THE SUBSTANCE OF COPEI PARLIAMENTARY LEADER EDUARDO FERNANDEZ'S CRITICISMS LAST WEEK REFTEL, PINERUA PROCEEDED TO REEL OFF AN ARRAY OF STATISTICS INDICATING THE PUBLIC'S CONFIDENCE IN THE AD GOVT. HE
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PAGE 02 CARACA 04060 162122Z

SAID AD HAD PICKED UP SUPPORT IN RECENT LABOR UNION ELECTIONS

AND THE COMPOSITION OF THE LABOR CONFEDERATION (CTV) CONGRESS LATER THIS MONTH WILL BE AD, 52PERCENT; COPEI, 18PERCENT, AND PEOPLE'S ELECTORAL MOVEMENT (MEP), 18 PERCENT. PINERUA STATED AD SLATES HAD ACHIEVED SIMILAR SUCCESSES IN RECENT PEASANT FEDERATION AND PROFESSIONAL ASSOCIATION ELECTIONS. PINERUA ALSO CITED THE RESULTS OF A PUBLIC OPINION POLL WHICH FOUND THAT 40 PERCENT OF THOSE QUESTIONED HELD A FAVORABLE VIEW OF THE GOVT'S PERFORMANCE, 29 PERCENT WERE UNFAVORABLE, AND 30PERCENT WERE UNDECIDED. PINERUA SAID HE WAS NOT SAYING THERE HAD NOT BEEN ANY "POLITICAL DETERIORATION" SINCE IT WAS OBVIOUS THE "POLITICAL CLIMATE" HAD DETERIORATED FOR COPEI.

2. PINERUA RESPONDED TO FERNANDEZ'S CHARGE THAT THE PEREZ ADMINISTRATION WAS BEING UNDULY INFLUENCED BY CERTAIN INTERESTS. HE PLEDGED, IN THE NAME OF THE PRESIDENT, THAT VENEZUELA'S LARGEST ECONOMIC GROUPS WOULD NOT RECEIVE PREFERENTIAL TREATMENT IN THE AWARDING OF GOV CONTRACTS, "AS THEY HAD DURING THE COPEI GOVT." PINERUA WENT ON TO REVEAL THE AMOUNT OF GOV BUSINESS OBTAINED BY THESE GROUPS DURING THE CALDERA YEARS, AND REVEALED INSTANCES IN WHICH THE AD GOVT HAD RENEGOTIATED OR CANCELLED CONTRACTS THAT "WERE NOT IN THE PUBLIC INTEREST." REFERRING TO COPEI'S OPPOSITION TO ARTICLE 5 IN THE PROPOSED OIL NATIONALIZATION BILL, PINERUA INTIMATED COPEI'S OBJECTIONS TO THE POSSIBILITY OF FUTURE FOREIGN PARTICIPATION IN THE PETROLEUM INDUSTRY COULD NOT BE TAKEN SERIOUSLY SINCE THE CALDERA ADMINISTRATION HAD ALLOWED A JAPANESE FIRM TO HAVE AN 80PERCENT INTEREST IN A PLAN TO DEVELOP A LOCAL ALUMINUM INDUSTRY. PINERUA CONTRADICTED FERNANDEZ'S ASSERTION THAT AD HAD CANCELLED THE DIALOGUE BETWEEN THE PARTIES OVER OIL NATIONALIZATION BY POINTING OUT THAT THE GOVT'S NATIONALIZATION BILL IS NOW THE SUBJECT OF POLITICAL DIALOGUE IN CONGRESS. HE REAFFIRMED THAT AD IS WILLING TO CONSIDER "SUBSTITUTE FORMULAS" IN THE BILL.

3. PINERUA ANSWERED COPEI'S ATTACK ON THE PERZ ADMINISTRATION'S MANAGEMENT OF THE ECONOMY BY NOTING THAT A JUST- PUBLISHED IMF REPORT STATED THAT VENEZUELAN ECONOMY HAD A "VERY SATISFACTORY" RATE OF FROWTH IN 1974, THE MOST SIGNIFICANT GAINS BEING ACHIEVED IN THE NON-PETROLEUM SECTORS. PINERUA DENIED AD WAS RESPONSIBLE FOR A HIGH RATE OF INFLATION, AS CHARGED BY LIMITED OFFICIAL USE

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PAGE 03 CARACA 04060 162122Z

FERNANDEZ. HE SAID THAT WHEN AD CAME TO POWER IT HAD IN FACT FROZEN PRICES ON A WIDE RANGE OF CONSUMER PRODUCTS AND INSTITUTED POLICIES TO PROMOTE AGRICULTURAL PRODUCTION.

4. LASTLY, PINERUA REJECTED THE ASSERTION THAT THERE WAS A SPLIT BETWEEN PEREZ AND AD. "THE PRESIDENT," PINERUA CONTINUEUD, "IS NOT AN AUTOCRAT, HE IS NOT BLESSED WITH SUPERNATURAL POWERS; THEREFORE HE DISCUSSES PROBLEMS WITH HIS PARTY, AS HE IS

DISPOSED TO DO WITH ALL THE PARTIES." PINERUA SAID INTERNAL DISCUSSIONS WITH PEREZ WERE "EQUALLY AS FRANK" AS THEY HAD BEEN WITH PRESIDENTS BETANCOURT AND LEONI.

5. COMMENT: WITH THIS SPEECH PINERUA, PEREZ'S INTERIOR MINISTER UNTIL JANUARY OF THIS YEAR AND A LEADING POSSIBILITY AS AD'S STANDARD BEARER IN 1978, SHOWED HIS METTLE AS A SPOKESMAN FOR THE PARTY. INTERSPERSING WELL- PLACED APUSES FOR EMPHASIS IN A GENERALLY FLAT DELIVERY, PINERUA PLEASED AND DELIGHTED NOT ONLY THE AD BENCHES BUT THE GALLERIES AS WELL. IN A WAY HIS DEFENSE OF THE GOVT'S PERFORMANCE WAS PREDICTABLE. VENEZUELA OBVIOUSLY IS NOT IN THE THROES OF A RECESSION, AS FERNANDEZ CLAIMED LAST WEEK, AND IT WAS RATHER FOOLISH OF HIM TO ATTEMPT TO SUSTAIN SUCH AN ARGUMENT. THE GOVT IS VULNERABLE, HOWEVER, ON THE SUBJECT OF RISING PRICES AND COPEI CAN BE EXPECTED TO KEEP HITTING AD WITH THIS ISSUE.
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